

Message Text

UNCLASSIFIED

PAGE 01 JOHANN 01062 291830Z

20

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 INT-05 AID-05 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 /067 W

----- 115516

R 290800Z JUL 75

FM AMCONSUL JOHANNESBURG

TO SECSTATE WASHDC 4043

INFO AMEMBASSY PRETORIA

UNCLAS JOHANNESBURG 1062

E.O. 11652: N/A

TAGS: EMIN, BTRA (MORSE, G.R. AND DU PLESSIS, E.), SF

SUBJECT: VISIT OF INDUSTRIAL DEVELOPMENT CORPORATION REPS

BUMINES FOR NAHAI

1. G.R. MORSE, MARKETING MANAGER, AND ASSISTANT E. DU PLESSIS, INDUSTRIAL DEVELOPMENT ORP (IDC) OF SOUTH AFRICA LIMITED, PLAN US VISIT BEGINNING ABOUT AUGUST 18. PURPOSE WILL BE TO STUDY ECONOMIC FEASIBILITY OF DIRECT REDUCTION OF IRON ORE FOR EXPORT FROM SOUTH AFRICA. CONSULTATIONS WITH BUMINES SPECIALISTS, AND OTHERS, ARE DESIRED. A PRELIMINARY REPLY (PRIOR TO AUGUST 4) TO INQUIRIES POSED BELOW IS URGENTLY REQUESTED TO GIVE MORSE AND DU PLESSIS OPPORTUNITY TO INITIATE WORKABLE TRAVEL PLAN.

2. IDC IS A STATE-OWNED CORPORATION WHICH PROVIDES MEDIUM TO LONG TERM INDUSTRIAL FINANCING IN SOUTH AFRICA. THE ORGANIZATION IS PROFIT ORIENTED AND OPERATES ACCORDING TO NORMAL BUSINESS PRINCIPLES. SASOL IS PROBABLY BEST KNOWN IDC VENTURE. MORSE AND DU PLESSIS APPEAR TO HAVE DONE THEIR DIRECT REDUCTION HOMEWORK WELL (IDC HAS LOOKED AT DIRECT REDUCTION IN THE PAST), AND ARE AWARE OF ECONOMIC AND FUNCTIONAL SHORTCOMINGS OF PROCESSES

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JOHANN 01062 291830Z

CURRENTLY AVAILABLE TO INDUSTRY. IDC BELIEVES, HOWEVER, THAT

GIVEN EFFECTS OF ENERGY CRISIS AND COKING COAL SHORTAGES ON THE LONG RANGE (VIS-A-VIS AMPLE ELECTRICAL POWER), THE ECONOMICS OF DIRECT REDUCTIN MAY NOW HAVE MORE DESIREABLE CONSIDERATIONS FOR SOUTH AFRICA. VISIT WILL BE LARGELY COMMERCIALY ORIENTED, TO STUDY SALES POTENTIALS FOR A PLANT CAPACITY OF POSSIBLY 1.0 MILLION TONS ANNUALLY. IF MARKET CONDITIONS WARRANT, TECHNICAL ASPECTS (E.G. TYPE OF PROCESS, ETC) AND RELATED ECONOMICS OF OPERATION WILL BE REVIEWED LATER.

3. IDC DOES NOT INTEND TO NEGOTIATE SALES AGREE MENTS AT THES STAGE OF STUDIES. INSTEAD, MORSE AND DU PLESSIS HOPE TO ASSESS FUTURE DEVELOPMENT OF IRON AND STEEL INDUSTRIES OF THE US, WESTERN EUROPE AND THE FAR EAST IN LIGHT OF ENERGY CRISIS; TO EVALUATE OTHER TRENDS THAT WILL AFFECT PRICE AND DEMAND FOR PIG IRON, STEEL SCRAP AND HENCE DIRECTLY REDUCED IRON; AND TO DISCUSS POSSIBLE IMPACT ON RAW MATERIAL PRICES THAT A REPORTED WORLDWIDE PLANNED PRODUCTION OF 48 MILLION TONS OF DIRECTLY REDUCED IRON ORE MAY ULTIMATELY HAVE ON THE WORLD MARKET.

4. MORSE AND DU PLESSIS HOPE TO EXPLORE ABOVE CONSIDERATIONS WITH BUMINES AND DEPARTMENT OF COMMERCE DIRECT REDUCTION AND MARKETING SPECIALISTS. THEY ALSO LOOK TOWARD MEETING WITH APPROPRIATE PERSONNEL OF THE AMERICAN IRON AND STEEL INSTITUTE, THE INSTITUTE OF SCRAP IRON AND STEEL, STANFORD RESEARCH, BATELLE MEMORIAL INSTITUTE, MIT, SCRAP BROKERS AND DEALERS, ELECTRIC FURNACE MANUFACTURERS (UNION CARBIDE AND OTHERS), US STEEL CORPORATION, ARMCO STEEL, LUKENS STEEL, KAISER STEEL, GEORGETOWN FERRODUCTION CORP. (KORF INDUSTRIES, INC.) AND/OR OTHERS THAT MAY APPEAR SUITABLE TO BU MINES AND COMMERCE.

5. IDC PERFECTLY WILLING MAKE OWN MEETING ARRANGEMENTS WITH EACH SELECTED PRIVATE ORGANIZATION, OR WILL APPRECIATE BUMINES ASSISTANCE IF IN YOUR VIEW BETTER COORDINATION POSSIBLE THROUGH BU MINES/ COMMERCE PROGRAMMING. YOU MAY WISH TO DISCUSS THIS INQUIRY WITH SALLY MILLER, AND/OR OTHER COMMERCE OFFICERS, BEFORE REPLYING, BUT IN ANY EVENT PLEASE ADVISE PREFERRED APPROACH FOR IDC AND ASSISTANCE POSSIBLE ASAP.
GUTHRIE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL DEVELOPMENT, BUSINESSMEN, EXPORTS, IRON, VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JOHANN01062
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750262-0096
From: JOHANNESBURG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750713/aaaaalqf.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 07 JAN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JAN 2003 by ThomasVJ>; APPROVED <03 FEB 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VISIT OF INDUSTRIAL DEVELOPMENT CORPORATION REPS BUMINES FOR NAHAI
TAGS: EMIN, BTRA, SF, (MORSE, G R), (DU PLESSIS, E)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006